AMENDMENTS TO THE CLAIMS

Please amend claims as follows:

1-23. (Cancelled)

24. (Currently Amended) A method for conducting a financial transaction using an integrated circuit device compliant with at least one of the EMV '96 integrated circuit card and the EMV 2000 integrated circuit card specifications, said device issued by a device issuer, associated with a funding account having an account identifier, and capable of conducting off-line and on-line transactions with a payment card network, comprising:

(a) storing a pre-authorized balance on said integrated circuit device, said integrated circuit device configured with an upper cumulative offline transaction amount data element compatible with version 2.1 of the MasterCard Chip card specifications, said upper cumulative offline transaction amount is used to store said pre-authorized balance, and said balance representing the value of transactions conducted with said device without on-line communication with said payment network for authorization of said transaction;

(b) providing said integrated circuit device with a pre-authorized limit;

(c) distributing said device to at least one person associated with said account for conducting said transaction;

(d) determining by said integrated circuit device to permit said financial transaction without first requesting on-line communication with said payment network for authorization of said transaction, when the transaction amount of said transaction is less than said pre-authorized limit less said pre-authorized balance, and adding said transaction amount of said transaction to said pre-authorized balance;

(e) determining by said integrated circuit device to request on-line communication with said payment network before permitting said financial transaction when said transaction amount of said transaction is greater than said pre-authorized limit less said pre-authorized balance;

(f) subtracting a first prepayment amount from said funding account and altering at least one of said pre-authorized balance and said pre-authorized limit stored on said integrated circuit device such that the difference between said pre-authorized balance and said pre-authorized limit increases by a second prepayment amount, said second prepayment amount based on said first prepayment amount, in response to satisfaction of at least one prepayment criteria; and

(g) configuring said integrated circuit device to perform said transaction in an existing point of sale integrated circuit card reader compliant with at least one of the EMV '96 integrated circuit card and the EMV 2000 integrated circuit card specifications.

25. (Previously Presented) The method of claim 24 wherein said subtracting said first prepayment amount from said account occurs before said altering at least one of said pre-authorized balance and said pre-authorized limit stored on said integrated circuit device.

26. (Previously Presented) The method of claim 24 wherein said subtracting said first prepayment amount from said account occurs after said altering at least one of said pre-authorized balance and said pre-authorized limit stored on said integrated circuit device.

27. (Currently Amended) The method of claim 24 wherein said subtracting said first prepayment amount from said account occurs at substantially the same time as said altering at least one of said pre-authorized balance and said pre-authorized limit stored on said integrated circuit device.

28. (Previously Presented) The method of claim 24, wherein said at least one prepayment criteria comprises receiving a prepayment request from a cardholder associated with said account.

29. (Previously Presented) The method of claim 28, wherein said at least one prepayment criteria further comprises having a balance in said account greater than or equal to said prepayment amount.

30. (Previously Presented) The method of claim 24, wherein said at least one prepayment criteria comprises receiving an on-line communication over said payment

network for authorization of said transaction when said transaction amount of said transaction is greater than said pre-authorized limit less said pre-authorized balance.

31. (Previously Presented) The method of claim 24, wherein said second prepayment amount is equal to said pre-authorized balance.

32. (Previously Presented) The method of claim 24, wherein said first prepayment amount is equal to said second prepayment amount.

33-34. (Cancelled)

35. (Currently Amended) The method of claim ~~34~~ 24, wherein said altering at least one of said pre-authorized balance and said pre-authorized limit comprises transmitting a script message to update at least said upper cumulative offline transaction amount data element.

36. (Previously Presented) The method of claim 24, wherein said at least one prepayment criteria includes making a determination that the difference between said pre-authorized limit and said pre-authorized balance has fallen below a predetermined threshold.

37. (Currently Amended) An integrated circuit payment device associated with a funding account for conducting a financial transaction, comprising:

(a) an interface configured to permit electrical communication with an existing point of sale integrated circuit card reader compliant with at least one of the EMV '96 integrated circuit card and the EMV 2000 integrated circuit card specifications, said reader further coupled to a payment network;

(b) a memory, having at least one pre-authorized limit and at least one pre-authorized balance stored therein, said pre-authorized balance representing the value of transactions conducted with said device without on-line communication with said payment network for authorization of said transaction, and at least a portion of said memory comprising an upper cumulative offline transaction amount data storage area compatible with version 2.1 of the MasterCard Chip card specifications that stores the pre-authorized balance;

(d) a processor, coupled to said interface and said memory area, programmed to permit said financial transaction without requesting on-line communication via said interface with said payment network, when the transaction amount of said transaction is less than said pre-authorized limit less said pre-authorized balance, and further programmed to add said transaction amount of said transaction to said pre-authorized balance when said financial transaction is permitted;

(d) said processor further programmed to request on-line communication with said payment network via said interface before permitting said financial transaction when said transaction amount of said transaction is greater than said pre-authorized limit less said pre-authorized balance;

(e) means for receiving at least one script command via said interface, said script command corresponding to satisfaction of at least one prepayment criteria, said script command associated with a first prepayment amount previously debited from said funding account;

(f) means for altering at least one of said pre-authorized balance and said pre-authorized limit stored in said memory, in response to said at least one script command, such that the difference between said pre-authorized balance and said pre-authorized limit increases by a second prepayment amount, said second prepayment amount based on said first prepayment amount.

38. (Previously Presented) The device of claim 37, wherein said second prepayment amount is equal to said pre-authorized balance.

39. (Presently Presented) The device of claim 37, wherein said first prepayment amount is equal to said second prepayment amount.

40-41. (Cancelled)

42. (Currently Amended) The device of claim ~~41~~37, wherein said altering at least one of said pre-authorized balance and said pre-authorized limit comprises transmitting a

script message to update at least said upper cumulative offline transaction amount data element.